

**R865. Tax Commission, Auditing.**

**R865-19S. Sales and Use Tax.**

**R865-19S-111. Graphic Design Services Pursuant to Utah Code Ann. Section 59-12-103.**

~~[A.](1)~~ Graphic design services are not subject to sales and use tax:

~~[1.](a)~~ if the graphic design is the object of the transaction; and

~~[2.](b)~~ even though a representation of the design is incorporated into a sample or template that is itself tangible personal property.

~~[B.](2)~~ Except as provided in ~~[C.]Subsection (3)~~, if a vendor provides both graphic design services and tangible personal property that incorporates the graphic design:

~~[1.](a)~~ there is a rebuttable presumption that the tangible personal property is the object of the transaction; and

~~[2.](b)~~ the vendor must collect sales and use tax on the graphic design services and the tangible personal property.

~~[C.](3)~~ A vendor that provides both graphic design services and tangible personal property that incorporates the graphic design is not required to collect sales tax on the graphic design services if the vendor subcontracts the production of the tangible personal property to an independent third party.

~~[D. A vendor that provides nontaxable graphic design services and taxable tangible personal property under C. must separately state the nontaxable graphic design services or the entire sale is subject to sales and use tax.]~~

**KEY: charities, tax exemptions, religious activities, sales tax**

**Date of Enactment or Last Substantive Amendment: September 17, 2009**

**Notice of Continuation: March 13, 2007**

**Authorizing, and Implemented or Interpreted Law: 9-2-1702; 9-2-1703; 10-1-303; 10-1-306; 10-1-307; 10-1-405; 19-6-808; 26-32a-101 through 26-32a-113; 59-1-210; 59-12; 59-12-102; 59-12-103; 59-12-104; 59-12-105; 59-12-106; 59-12-107; 59-12-108; 59-12-118; 59-12-301; 59-12-352; 59-12-353**